

For: State and County Offices

2002 and 2003 EQIP Contracts

Approved by: Acting Deputy Administrator, Farm Programs

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1 Overview

A Background

County Release No. 516 included software to control obligation limitation amounts for the Environmental Quality Incentives Program (EQIP). When County Release No. 516 was installed, an edit was performed which made the amount approved on contracts already in the system the amount obligated for that contract.

B Purpose

This notice provides State and County Offices with instructions for handling various situations that may occur on the approved contracts that were in the system when County Release No. 516 was installed. The possible scenarios that have been identified and are covered in this notice include:

- multi-county producers
- contract approved for a single producer
- contract approved for multiple producers with no payments issued
- contract approved for multiple producers and at least 1 payment issued.

C Contact

If there are questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact Sharon Rafter, CEPD at 202-690-1612.

Disposal Date	Distribution
August 1, 2004	State Offices; State Offices relay to County Offices

2 Overview (Continued)

A Payment Obligation Software

EQIP software will track amounts obligated to each producer. Consistent with NRCS policy, the software will not allow an amount greater than \$450,000 per entity or individual to be obligated. This will prevent amounts that cannot be earned from being obligated. This limitation applies to all contracts entered into from 2002 through 2007.

The system will calculate the funds available for obligation for each producer. The total available for each producer or entity before any contracts have been approved is \$450,000. This limit covers multiple years, beginning with contracts signed in FY 2002 and including contracts signed through FY 2007. The system will determine the unobligated amount available by starting with \$450,000 and subtracting the amount attributed to that individual or entity for any approved contracts beginning with 2002 contracts.

The “Unobligated Amount” means the amount available for the current contract only. When a new CCC-1200 is created, the “Unobligated Amount” for each producer will equal \$450,000 minus all contracts approved for that producer beginning with 2002 contracts. The software will deduct **all** amounts attributed to that producer according to his share of any entities as well as individual contracts. Once a contract is approved, the amount of the contract cannot be increased. Therefore, when a contract is approved the “Unobligated Amount” for the producer on the contract is reduced to the producer’s “Obligated Amount” on that contract.

For 2002 and 2003 contracts that were approved before the release of payment obligation software, the software performed an edit. That edit made the amount approved for the contract the “Unobligated Amount” for that contract.

B AGI Software

EQIP software has been modified to interface with common provisions software to verify AGI eligibility beginning with 2003 contracts. The AGI status at contract approval will remain in effect for the life of the contract. If a new producer is added to an existing CCC-1200, the software will only verify the AGI eligibility of the new producer. The status of any existing producer on the contract will not change.

Any producer who is not AGI compliant may be included on a contract, but the producer will not be able to earn anything for the contract, and the obligation for that producer will be zero for the life of the contract.

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3 Multi-County Producers

A Initial Approval for Multi-County Producers

This is an example of Screen EEB21500 for a multi-county producer. The processing county is not the control county in this case.

Conservation		069-Any County		EEB21500	
CCC-1200 Participant Data Screen		Version: A001		08-19-2003	15:18 Term E3

Contract NO: 2003 0062		Program: EQIP		Fund Code: 549999/2003	
Farm NO: 1485		Tract NO: 5401			
#	Producer ID	Name	AGI	Unoblig Amount	Oblig Amount Begin /Lmt
1	*222 22 7777 S	Herman Rancher	N	0	0 N
* Indicates Primary Producer For Contract					
Enter=Continue		Cmd4=Previous	Screen Cmd7=End	Cmd16=Add	Cmd20=Change
		Cmd24=Delete			

The obligation limitation for multi-county producers is managed by the control county. When a county receives a "0" unobligated amount for a producer on a new contract, the County Office shall verify whether the producer is a multi-county producer. County Offices shall contact the control county and request funds be transferred. This process is the same as for other program payment limitation fund transfers, and it will take some time for the funds to be uploaded from the control county through Kansas City and downloaded to the processing county.

This is the same screen after funds have been transferred from the control county. This is during the initial approval process with no obligation amount assigned to the producer yet.

Conservation		069-Any County		EEB21500	
CCC-1200 Participant Data Screen		Version: A001		09-19-2003	15:18 Term E3

Contract NO: 2003 0062		Program: EQIP	Fund Code: 549999/2003		
Farm NO: 1485		Tract NO: 5401			
#	Producer ID	Name	AGI	Unoblig Amount	Oblig Amount Begin /Lmt
1	*222 22 7777 S	Herman Rancher	Y	200,000	0 N
* Indicates Primary Producer For Contract					
Enter=Continue		Cmd4=Previous	Screen Cmd7=End	Cmd16=Add	Cmd20=Change
		Cmd24=Delete			

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3 Multi-County Producers

B Multi-County Producers With Approved 2002 and 2003 Contracts

This is an example of Screen EEB21500 for a contract that was approved for a multi-county producer before County Release No. 516 was installed. The processing county is not the control county in this case.

Conservation			069-Any County			EEB21500		
CCC-1200 Participant Data Screen			Version: A001		08-19-2003	15:18	Term E3	

Contract NO:		2003 0002	Program:		EQIP	Fund Code:		549999/2003
Farm NO:		1485	Tract NO:		5401			
#	Producer ID		Name		AGI	Unoblig	Oblig	Begin
1	*222 22 7777 S		Herman Rancher		N	Amount	Amount	/Lmt
						-5,000	5,000	N
* Indicates Primary Producer For Contract								
Enter=Continue		Cmd4=Previous	Screen Cmd7=End		Cmd16=Add		Cmd20=Change	
		Cmd24=Delete						

County Offices shall contact the control county and request funds be transferred. This process is the same as for other program payment limitation fund transfers, and it will take some time for the funds to be uploaded from the control county through Kansas City and downloaded to the processing county.

This is Screen EEB21500 after funds have been transferred from the control county.

Conservation				069-Any County		EEB21500	
CCC-1200 Participant Data Screen				Version: A001		09-19-2003	15:18 Term E3

Contract NO:		2003 0002	Program:		EQIP	Fund Code: 549999/2003	
Farm NO:		1485	Tract NO:		5401		
#	Producer ID		Name		AGI	Unoblig Amount	Oblig Amount /Lmt
1	*222 22 7777 S		Herman Rancher		Y	5,000	5,000 N
* Indicates Primary Producer For Contract							
Enter=Continue		Cmd4=Previous		Screen Cmd7=End		Cmd16=Add	
		Cmd24=Delete				Cmd20=Change	

Note: The “Unobligated Amount” and “Obligated Amount” are now equal.

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4 Contract Approved for a Single Producer

A 2002 Contracts

No problems other than the multi-county producer problem have been identified for 2002 contracts with only 1 producer. The software edit capped the contract unobligated amount at the amount approved and assigned that amount to the producer. It makes no difference whether payments have been issued or not.

B 2003 Contracts

The edit capped the contract unobligated amount at the amount approved and assigned that amount to the producer. It makes no difference whether payments have been issued or not. If a single producer has an unobligated amount of "0", the most common reason will be that the producer is a multi-county producer.

For 2003, if the producer's AGI flag is "N", County Offices shall verify whether the producer meets the AGI provisions. County Offices shall immediately notify the State Office and NRCS of any producer on an approved 2003 contract who does not meet the AGI provisions. If a producer is not eligible because of AGI provisions, **NRCS** needs to be notified **immediately** if this situation is discovered so that they may cancel the contract and the money can be used by September 30, 2003, to fund other contracts.

5 Contract Approved for Multiple Producers With No Payments Issued

A Example of Screen EEB21500

For contracts with multiple producers that had no earnings recorded, the software edit capped the contract unobligated amount at the amount approved and assigned that amount to the primary producer on the contract. This is an example of Screen EEB21500 with multiple producers for a contract with no payments issued.

Conservation				069-Any County		EEB21500	
CCC-1200 Participant Data Screen				Version: A001	07-19-2003	15:18	Term E3

Contract NO:		2002 0020		Program:	EQIP	Fund Code:	549999/2002
Farm NO:		485		Tract NO:	3401		
#	Producer ID			Name	AGI	Unoblig Amount	Oblig Amount Begin /Lmt
1	*222 22 2222 S			Rancher Hesse	Y	30,000	30,000 N
2	333 33 3333 S			Wife Hesse	Y	0	0 N
3	444 44 3333 S			Farmer Miller	Y	0	0 N
* Indicates Primary Producer For Contract							
Enter=Continue		Cmd4=Previous		Screen Cmd7=End	Cmd16=Add	Cmd20=Change	
		Cmd24=Delete					

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5 Contract Approved for Multiple Producers With No Payments Issued (Continued)

B Correcting the Contract

Applicable contracts shall be corrected according to the following table.

Step	Action	Result
1	On Menu EEB200, ENTER “3”, “Approval Process”, and PRESS “Enter”.	Screen EEB20500 will be displayed.
2	Enter the contract number, and PRESS “Enter”.	Screen EEB23000 will be displayed.
3	PRESS “Enter”.	Screen EEB21500 will be displayed.
4	On Screen EEB21500, PRESS “Cmd20” or “Shift F8”.	
5	Enter the number of the producer with the amount of the contract displayed as “Oblig Amount”. PRESS “Enter”.	Screen EEB21510 will be displayed.
6	On Screen EEB21510, for the “Obligated Amount” field, enter the correct amount this producer is receiving on the contract. PRESS “Enter”.	Screen EEB21500 will be redisplayed.
7	PRESS “Cmd24” or “Shift F12”.	
8	Enter the number of the producer with a “0” “Unoblig Amount”. PRESS “Enter”.	Screen EEB21515 will be displayed.
9	Enter “Y” in response to the question, “Is this the producer you wish to delete (Y or N)?”, and PRESS “Enter”.	Screen EEB21500 will be redisplayed with the applicable producer deleted.
10	On Screen EEB21500, PRESS “Cmd16” or “Shift F4”.	Screen EEB21505 will be displayed.
11	Add the producer just deleted through the above process on to the contract.	Screen EEB21510 will be displayed.
12	On Screen EEB21510, for the “Obligated Amount” field, enter the correct amount this producer is receiving on the contract. PRESS “Enter”	Screen EEB21500 will be redisplayed
13	Repeat steps 7 through 12 until all applicable producers have been deleted and then reentered on the contract. PRESS “Enter” on Screen EEB21500.	Screen EEB24000 will be displayed.
14	PRESS “Enter” through the remaining screens of the option.	Screen EEB27000 will be displayed with the message, “Contract information has been updated.”

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5 Contract Approved for Multiple Producers With No Payments Issued (Continued)

C Example of Screen EEB21510

This is an example of Screen EEB21510 for the producer whose obligation amount needs reduced according to subparagraph B. This example has the correct amount for the producer entered in the "Obligated Amount" field.

Conservation	069-ANY COUNTY	Selection	EEB21510
CCC-1200 Participant Data Screen Version: AD29 09-02-2003 14:10 Term E4			

Contract Number: 2002 0020	Program: EQIP	Fund Code: 549999/2002	
Farm NO: 485	Tract NO: 3401		
Producer ID: 222 22 2222 S	RANCHER HESSE 186 LITTLE RIVER RD WHOVILLE, WV 71416-2222		
AGI:	Y		
Unobligated Amount:	30,000		
Primary Producer (Y or N):	<u>Y</u>		
Obligated Amount:	<u>10,000</u>		
C/S Amount Earned:	0		
Enter=Continue Cmd4=Previous Screen Cmd7=End			

D Example of Screen EEB25000

This is an example of Screen EEB25000 after all the corrections have been processed.

Conservation	069-ANY COUNTY	Selection	EEB25000			
CCC-1200 Participant Obligation Screen Version: AD29 09-02-2003 14:26 Term E4						

Contract NO: 2002 0020	Program: EQIP	Fund Code: 549999/2002				
Farm NO: 485	Tract NO: 3401					
Obligated Amount - Contract:	30,000					
Obligated Amount - Producers:	30,000					
#	Producer ID	Name	AGI	Unoblig Amount	Oblig Amount	Begin /Lmt
1	*222 22 2222 S	Rancher Hesse	Y	10,000	10,000	N
2	333 33 3333 S	Wife Hesse	Y	10,000	10,000	N
3	444 44 3333 S	Farmer Miller	Y	10,000	10,000	N
* Indicates Primary Producer For Contract						
NO MORE PRODUCERS						
Enter=Continue Cmd4=Previous Screen Cmd7=End						

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6 Contract Approved for Multiple Producers With at Least 1 Payment Issued

A Software Edit Effect on Contracts With Payments Issued

Once a contract has been approved, the obligated amount cannot be increased for producers on the contract. Producers who have received payments cannot be deleted from the contract.

This is an example of Screen EEB21500 with multiple producers for a contract with payments issued after County Release No. 516 has been installed. In this example, each producer listed has received a payment of \$5,000.

Conservation			069-Any County		EEB21500	
CCC-1200 Participant Data Screen			Version: A001		07-19-2003	15:18 Term E3

Contract Number: 2003 0126			Program: EQIP		Fund Code: 369999/2003	
Farm NO: 564			Tract NO: 1131			
#	Producer ID	Name	AGI	Unoblig Amount	Oblig Amount	Begin /Lmt
1	*123 22 2222 S	Dean Barbecue	Y	30,000	30,000	N
2	123 33 3333 S	John Garden	Y	5,000	5,000	N
3	123 44 4444 S	Farmer Hayfield	Y	5,000	5,000	N
* Indicates Primary Producer For Contract						

For 2002 and 2003 contracts for multiple producers that had earnings recorded, the software edit:

- capped each nonprimary producer's contract unobligated amount at the amount paid to that producer
- added the unpaid balance of the contract to the amount paid to the primary producer
- assigned that amount (unpaid balance plus amount paid to primary producer) as the Unobligated Amount for the primary producer.

The contract must be reduced to the amount paid and a new (supplemental) contract created for the remaining balance.

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6 Contract Approved for Multiple Producers With at Least 1 Payment Issued (Continued)

B Identifying Applicable CCC-1200's

County Offices shall print the CCC-1200 Contract Obligation Report to identify 2002 and 2003 contracts for multiple producers that have had payments issued. Contracts that need attention will include all of the following on the report:

- Contract Number will be either 2002 or 2003 number
- Payment ID Name will list more than one ID number for the contract
- C/S Earn column will be greater than "0".

C Processing CCC-1245's Associated to the Contract

Before CCC-1200 can be reduced, all outstanding CCC-1245's associated to the contract must be processed according to the following table. Applicable CCC-1245's can be identified by printing the CCC-1200 Technical Practice Status Report for the contract.

Step	Action		Result	
1	IF CCC-1245 has...	THEN...		
	final performance recorded	no further action is needed.		
	no performance recorded	on Menu EEB300, ENTER "6", "Cancellation Process", and PRESS "Enter".	Screen EEB20550 will be displayed.	
	partial performance recorded	on Menu EEB300, ENTER "4", "Final Performance", and PRESS "Enter".		
2	On Screen EEB20550, enter the control number, and PRESS "Enter".		IF CCC-1245 has...	THEN...
			no performance recorded	Screen EEB20555 will be displayed
			partial performance recorded	Screen EEB32010 will be displayed. Go to step 4.
3	Enter "Y" to the question, "Is this the CCC-1245 to be canceled (Y or N)?", and PRESS "Enter".		Screen EEB37000 will be displayed with the message, "CCC-1245 has been canceled."	
4	PRESS "Enter" until Screen EEB34500 is displayed. Enter the installation cost of the practice, and PRESS "Enter".		Screen EEB36000 will be displayed.	
5	On Screen EEB36000, enter the date the partial performance was recorded, and PRESS "Enter".		A slippage report will be printed. Screen EEB37000 will be displayed.	

6 Contract Approved for Multiple Producers With at Least 1 Payment Issued (Continued)

D Reducing CCC-1200's

After all applicable CCC-1245's have been processed according to subparagraph 6 C; reduce the original CCC-1200 to the amount of the payments issued.

Step	Action	Result
1	On Menu EEB200, ENTER "3", "Approval Process", and PRESS "Enter".	Screen EEB20500 will be displayed.
2	Enter the contract number, and PRESS "Enter".	Screen EEB23000 will be displayed.
3	On Screen EEB23000, and PRESS "Enter".	Screen EEB21500 will be displayed.
4	On Screen EEB21500, PRESS "Cmd 20". Enter the number of the producer whose "Obligated Amount" exceeds his payment received, and PRESS "Enter".	Screen EEB21510 will be displayed
5	On Screen EEB21510, for the "Obligated Amount" field, enter the correct amount this producer was paid. PRESS "Enter".	Screen EEB21500 will be redisplayed.
6	On Screen EEB21500, PRESS "Enter".	Screen EEB24000 will be displayed.
7	On Screen EEB24000, enter the amount from the "Unapproved Contract Balance" field as a negative amount in the "C/S Amount Approved" field, and PRESS "Enter".	Screen EEB24005 will be displayed.
8	On Screen EEB24005, PRESS "Cmd24" or "Shift F12".	
9	Enter the number of the technical practice being moved to the supplemental contract, and PRESS "Enter".	Screen EEB24025 will be displayed.
10	Enter "Y" in response to the question, "Is this the technical practice you wish to delete (Y or N)?", and PRESS "Enter".	Screen EEB24005 will be redisplayed with the applicable practice deleted.
11	Repeat steps 8 through 10 until all applicable practices have been deleted from the contract. PRESS "Enter" on Screen EEB24005.	Screen EEB25000 will be displayed.
12	PRESS "Enter" through the remaining screens of the option.	Screen EEB27000 will be displayed with the message "Contract information has been updated."
13	Create a new CCC-1200 for the balance of the contract. Note on the new CCC-1200 that it is a supplemental contract and reference the original contract year and number.	

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6 Contract Approved for Multiple Producers With at Least 1 Payment Issued (Continued)

D Reducing CCC-1200's (Continued)

This is an example of Screen EEB24000 with the entry to remove the balance from the contract.

Conservation	089-SAINT LAWRENCE	Selection	EEB24000
CCC-1200 Approval Screen	Version: AD27	07-28-2003 10:24	Term E4

Contract Number: 2003 0126	Program: EQIP	Fund Code: 369999/2003	
Farm NO: 564	Tract NO: 1131		
Producer ID: 123 11 1111 S	Name: DEAN BARBERBECUE		
Unobligated: 40,000	Program Balance:	10,000	
	Overall Contract Value:	40,000	
Fund Code: 369999/2003			
	Change(+/-)	Contract Balances	
C/S Amount Approved:	-25,000	40,000	
Performance Amount Approved:		15,000	
Performance Amount Earned:		15,000	
Balance Available:		25,000	
Unapproved Contract Balance:		25,000	
Amount CCC-1245's Issued:		0	
NO MORE FUND CODES			
Enter=Continue Cmd4=Previous Screen Cmd7=End			

This is an example of Screen EEB25000 after the corrections have been made.

Conservation	089-Any County	Selection	EEB25000
CCC-1200 Participant Obligation Screen	Version: AD27	07-28-2003 10:44	Term E4

Contract Number: 2003 0126	Program: EQIP	Fund Code: 369999/2003	
Farm NO: 564	Tract NO: 1131		
Obligated Amount - Contract:	15,000		
Obligated Amount - Producers:	15,000		
#	Producer ID	Name	AGI
1	*123 22 2222 S	Dean Barbecue	Y
2	123 33 3333 S	John Garden	Y
3	123 44 4444 S	Farmer Hayfield	Y
		Unoblig Amount	Oblig Amount
		5,000	5,000
		5,000	5,000
		5,000	5,000
			Begin /Lmt
			N
			N
			N
* Indicates Primary Producer For Contract			
NO MORE PRODUCERS			
Enter=Continue Cmd4=Previous Screen Cmd7=End			